Health Care for Health Care Workers
1:00 to 4:30
Thursday, February 28, 2008
Capitol Building

Attendees: Kris Carlson, Frank Cote, Kendra Rose, Linda Pearson, Dawna Brinkel, Bob Maffit, Tom Osborn, Webb Brown, Judy Maynard, Hope Heavyrunner, Steve Richards, Jan Paulsen, Carrie Schaff, Roxanne Settera, Connie LeVeque, Lois Steinbeck, Ted Dick, Mike Hanshew, Allicyn Wilde, Cricket, Tim, Christina Goe, Kelly Reynolds, Beth Anderson, Carole Cotrell, Peter Butler, Brett Tate, Todd Lovshin, Abby Hulme, Kelly Williams, James Driggers

Welcome and Introduction
There is now a website with the meeting schedule, notes, agendas and handouts. The website address is:
http://www.dphhs.mt.gov/sltc/aboutsltc/whatsnew/HealthCareWorkers.shtml
You can also access the website by going to the Department's website, clicking Long Term Care Division, and then clicking the "what's new" link.

Previous Meeting Review
A brief overview was provided about the content and suggestions from the January meeting. Meeting notes were provided for group members to review.

February Meeting Overview
Today's meeting was designed to provide group members with an opportunity to hear from health insurance carriers and compare plans. Two templates were provided to insurance carriers to provide information for comparative purpose. The first template highlighted the plan costs, coverage limits, expenses, etc. The second template compared details of plan coverage. Insurance carriers were invited to today's meeting to share information on these templates and add to the discussion about factors that affect plan cost and adequate coverage. See handouts with comparative information.

Based on the information presented from insurance carriers the group plans to move forward with discussion and establishing criteria for benchmarks.

Insurance Carrier Presentations
SEIU Taft Hartley Trust
See attached PowerPoint for an overview of the information that was presented. SEIU is a union that created a trust to provide health insurance to 11,000 Washington State workers. The plan was designed to meet the unique needs of the direct care work force in Washington. The goal of the plan is to encourage preventative coverage and office visits. The group also felt that with such a high percentage of previously uninsured workers it was important to provide dental, vision, and prescription in the plan. The plan has operated over the past four years. The trust is willing to work with Montana's benchmarks.

Presenters encouraged the work group to consider establishing a set time-frame for enrollment because it can affect plan cost.

Allegiance
In addition to offering health benefits, Allegiance works with employers in health reimbursement, health savings, and flexible spending accounts. Allegiance presented a plan that they have been selling on the market that is quite popular. They suggested that it is important to offer employers the ability to individualize plans to fit their employees' needs and work with employers to help them manage costs as the work group moves forward.

Presenters also discussed Health Reimbursement Accounts (HRA). The HRA, coupled with health insurance plans, may make it more affordable to provide accessible health insurance to workers. HRA is fully funded by employer dollars. The money is a tax favored plan without tax impact on employees. Since it is employer-only dollars the IRS allows a wide array of design, which means HRA can be individualized. An HRA is 3rd party administered. Currently, Allegiance has a client that offer a $2000 deductible on an overall insurance plan, which they couple with HRA that pays 50% of first $1,000 and 80% of $2,000. This effectively makes for a deductible of $700 and reimbursement is made at first dollar, rather than at the level of deductible. The HRA is one means of allowing the employer to offer the best plan at most affordable level.

Two clarifications on HRA were made based on follow-up questions. The HRA is a fully insured group health plan, which means the employer can set parameters for the HRA and can be specific to what is covered. The HRA doesn't have to be coupled with a health plan, however it was recommended that it would need to be coupled with a group health plan for the purpose of this group's discussion.

New West
New West is a Montana provider. They put together a quote for a traditional indemnity plan that is representative of what they sell. The traditional plan is the any-willing-provider plan. Services apply to a deductible, after that is met the plan kicks in and pays at 90%. Presenters encouraged the group to look closely at the out of pocket max for insured. Employers would have the option of adding a rider so a member could have visits covered with nominal co-pay. A rider is usually a % of the total plan cost. Refer to the handout for more details.

New West also offers PPO plans that are more affordable than the traditional indemnity plan. They will get the info to Abby to post online.

Webb Brown
Montana chamber of commerce started providing health insurance to association members. They were also a part of the group that lobbied health care for direct care workers in last legislative session because they have seen the benefits of what health insurance can do for employers and employees. The Chamber contracts with Blue Cross

Blue Shield (BCBS) with the plan that they offer. The program started in May 2004 and has now grown to cover 20,000 lives, which includes 1100 employees and 700 businesses. Employers must be a member of state or local chamber to participate in Chamber Choices and employ between 2-50 workers. The health insurance is a program, rather than a plan, because it offers eleven different options. To participate in Chamber Choices there is a requirement that 70% of the eligible employees are covered and the employer must pay at least 50% of coverage.

Chamber Choices is an age rated plan with a 5 million max. and $300 for wellness exam. The range of premiums is $190-$550 per month depending on age of workers and the selected plan.

A follow up question about who is considered an "eligible" employee was raised. The follow-up information on eligible employees was provided by Webb:
Employees must be at least 20 hrs/week – more, if the employer requires 30 hrs/week, for example. Employees who have other coverage (spouse, for example) don't need to be counted, either.

Blue Cross Blue Shield
Eric Deeg participated on the phone to present information on the BCBS plan. He conveyed the message that there are a multitude of BCBS plan choices, including the two that are administered by BCBS for Insure Montana and the Montana state employee's plan. They are also a strategic partner with Webb Brown for the Chamber plan. They also work with many other associations. BCBS also has a community rated pool, which follows certain laws and underwriting. Last, BCBS works with groups with 100 or more employees, called merit/experience rated groups, where they buy fully insured or self-funded plans. In this category the employer group has more flexibility to pick a benefit plan.

Handouts were provided on a wide spectrum of BCBS plans. All BCBS plans assume healthlink PPO network, which is a hospital network, non-physician service. In Montana all hospitals are in network. The security plans at BCBS have waived deductible for participating provider physician services, which is a key component of these plans. The out of pocket and coinsurance apply to the non-physician services. This is one of the richest benefit plans. Healthlink is a traditional plan. They key with healthlink is to go to network providers.

Blue Choice is the managed care product. The network is not as extensive as traditional and healthlink providers, but in return you get better benefits and lower premiums. The point-of-service plans tend to give people a ton of first dollar benefits, but you will have access to a lot less doctors and hospitals. The incentive in the plan design is to steer people to the exclusive providers, which makes it a tremendous plan for pricing.

The HDHP plan means everything goes to deductible before the plan pays. Usually these plans work with an HRA or HSA. This makes consumers better managers. However, Eric believes there are two issues about this plan design. First, until we get to transparency to

shop around its hard for consumers to be educated about cost, outcome decisions, etc. Also, a missing element in these plans is the education about how users should budget and use health dollars.

The last point of emphasis was that the cost of a plan will depend on a lot of factors. See handout for more details. The same plan can have premiums as low as $150 to $1200 per individual per plan design because everything is driven by average.

Questions and Discussion

The group had a discussion about the expected increase in premium from year to year. Larger groups have more credibility, less swings and fluctuation in cost. The national trend is 11-14%, higher in rural areas. Webb shared that Chamber Choices increases have been 7%, 9%, 11%, 4% and this has included some increase in benefits. Close control and attention and monitoring can improve the plans and associated costs. A focus on a wellness benefit can also control cost.

Presenters encouraged the group to look at plan designs and think about everybody. A fact was shared that 90% of claims come from 10% population. They emphasized that this factor must be considered in plan design.

The group discussed the important of an education piece for the different groups of people accessing insurance. This can help people access and use the plan and contain cost, especially when you consider that 60% of the current workforce is uninsured.

Feedback from carriers shared that lower deductible and co-pay plans met with increased interest from the workers. Insure Montana has found that most of the employers select the lower deductible plan and make doctor visits pre-deductible.

The group raised the question about fairness in negotiating rates for smaller agencies if there is no pool. Insurance carriers will work with independent agents to find a plan that can meet the benchmarks. The carriers shared that if it is an individual agency coming in they need to balance risk and accommodate it appropriately. There would be underwriting and different rates and the employer would be rolled it into existing pool. SEIU will have set rates regardless of the size of the employer, however all the companies must be unionized and pay employee play dues to access the trust plan.

There was a discussion about pooling. The Department will not create an insurance pool, however providers may go out and form their own pool. The benefit of a pool is that it offers more stability. To have a pool you have to have an association that has been in existence for five years and it cannot be for the purpose of purchasing insurance. There is also an option of having a voluntary purchasing pool, which is open to anyone. Insurance carrier representatives stated that they would be interested in establishing rates for a pool. Requirements for establishing a voluntary pool are outlined in the code. They will be posted on the work group website.

Providers were encouraged to submit current health insurance plans and definitions of eligibles to Abby Hulme for consideration in future discussions.

The group concluded with a discussion about the ultimate goal in establishing benchmarks for insurance plans. The goal is to use the allocated money to provide affordable and accessible coverage with a methodology that is sustainable in coming years.

Future questions for the group to address include:

- How will organizations that currently offer insurance receive funds
- How will funding be distributed and who will be covered
- What will the benchmarks be and how will they be assessed each year

Next Meeting

The next meeting will be Thursday, March 20 from 1:00-4:30 in the DPHHS Cogswell Building Room C205-C207. The meeting will cover the distribution methodology and a review of proposed benchmarks for insurance plans.